

Message Text

CONFIDENTIAL

PAGE 01 LONDON 14733 132334Z

62

ACTION SS-20

INFO OCT-01 ISO-00 SSO-00 CCO-00 DRC-01 RSC-01 (ISO) W

----- 002258

O R 131917Z DEC 73 ZFF 4

FM AMEMBASSY LONDON

TO USINT CAIRO NIACT IMMEDIATE

INFO SECSTATE WASHDC 6456

C O N F I D E N T I A L LONDON 14733

STADIS//////////

TASTO 2

FOR: SECRETARY FROM UNDER SECRETARY DONALDSON

E.O. 11652: GDS

TAGS: ENRG

SUBJECT: EXPORT CONTROLS ON PETROLEUM PRODUCTS

REF: STATE 243568, TO SEC 116

1. I AGREE WITH REFTTEL THAT EMERGENCY PETROLEUM ALLOCATION ACT OF 1973 REQUIRES PRESIDENT TO CONTROL EXPORTS OF CRUDE OIL AND PETROLEUM PRODUCTS. WHETHER THIS IS DONE UNDER ALLOCATION ACT OR EXPORT ADMINISTRATION ACT DEPENDS IN MY VIEW ON WHICH STATUTE PROVIDES GREATER ADMINISTRATIVE FLEXIBILITY. ON BASIS PREVIOUS HISTORY IT WOULD SEEM THAT LATTER WOULD BE BETTER SUITED OUR PURPOSE. MOREOVER IF EXPORT ADMINISTRATION ACT WERE TRIGGERED ON BASIS FOREIGN POLICY DESITERATA, THIS SHOULD ENABLE US TO DEAL WITH ANY FOREIGN RELATIONS PROBLEMS WHICH MIGHT ARISE.

2. I CANNOT SEE THAT IMPOSITION EXPORT CONTROLS AT THIS TIME WILL PRESENT US WITH UNMANAGEABLE PROBLEMS.

A. OUR NORMAL OIL EXPORTS ARE MINISCULE AND CONSIST PRIMARILY OF SPECIALTY PRODUCTS OR PRODUCTS

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LONDON 14733 132334Z

TRADED ALONG CANADIAN AND MEXICAN BORDERS.

B. MOST OTHER COUNTRIES INCLUDING OTHER MAJOR CONSUMING COUNTRIES ALREADY HAVE EXPORT CONTROLS IN FORCE.

C. BECAUSE OF OUR PRICE CONTROLS AT HOME WE COULD NOT TOLERATE SITUATION IN WHICH WE WERE SUDDENLY TO EXPAND EXPORTS IN RESPONSE HIGHER PRICES ABROAD.

D. IMPOSITION EXPORT CONTROLS WILL NOT PRECLUDE OUR PARTICIPATION IN ANY POSSIBLE OECD SHARING ARRANGEMENT. OUR CONTRIBUTION TO ANY SUCH ARRANGEMENT WOULD COME FROM DIVERSION OF US IMPORTS TO OTHER DESTINATIONS RATHER EXPORTS FROM US.

3. IT IS POSSIBLE THAT IMPOSITION EXPORT CONTROLS COULD RAISE SPECIFIC IF MINOR PROBLEMS BECAUSE OF BASE PERIOD CHOSEN OR IN CONNECTION WITH ANY SWITCHING ARRANGEMENTS, E.G. WITH CANADA. IT WOULD SEEM TO ME, HOWEVER, THAT LEGISLATIVE HISTORY OF AILLOCATION ACT AND PENDING NATIONAL ENERGY EMERGENCY ACT OF 1973 (SENATE VERSION OF WHICH EXPLICITLY AUTHORIZES INTERNATIONAL ARRANGEMENTS DEALING WITH TRADE IN FOSSIL FUELS) PROVIDE SUFFICIENT BASIS FOR HANDLING SUCH PROBLEMS. PROCEDURE OUTLINED PARA 5 REFTEL WITH EXPLICIT REFERENCE TO CONSULTATION WITH INDUSTRY AND FOREIGN GOVERNMENTS WILL RESULT IN FLUSHING OUT ANY SUCH PROBLEMS IN ADVANCE AFFECT DATE EXPORT CONTROLS WHICH I UNDERSTAND WILL BE DECEMBER 27.

4. I RECOMMEND THAT YOU AUTHORIZE ACTING SECRETARY SEND LETTER TO DENT RE FOREIGN POLICY JUSTIFICATION FOR USE EXPORT ADMINISTRATION ACT IF IN JUDGEMENT LEGAL ADVISER USE OF THIS LEGAL AUTHORITY AS OPPOSED TO ALLOCATION ACT PREFERABLE FROM FOREIGN POLICY VIEWPOINT. I WOULD, HOWEVER, CONDITION OUR CONCURRENCE ON UNDERSTANDING THAT ANY SPECIFIC FOREIGN POLICY PROBLEMS WE MAY ENCOUNTER WILL BE DEALT WITH EXPEDITIOUSLY.
DONALDSON

CONFIDENTIAL

NNN

Message Attributes

Automatic DecapTIONing: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM PRODUCTS, EXPORT CONTROLS, MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 DEC 1973
DecapTION Date: 28 MAY 2004
DecapTION Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: mcintyresh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973LONDON14733
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731227/aaaaatqo.tel
Line Count: 97
Locator: TEXT ON-LINE
Office: ACTION SS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: STADIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: STADIS
Reference: STATE 243568, TO SEC 116
Review Action: RELEASED, APPROVED
Review Authority: mcintyresh
Review Comment: n/a
Review Content Flags:
Review Date: 25 JUL 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25-Jul-2001 by willialc>; APPROVED <17-Sep-2001 by mcintyresh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EXPORT CONTROLS ON PETROLEUM PRODUCTS
TAGS: ENRG
To: CAIRO
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005